S. HRG. 101-123

NOMINATION OF MICHAEL PHILIP SKARZYNSKI

HEARING

BEFORE THE

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS UNITED STATES SENATE

ONE HUNDRED FIRST CONGRESS

FIRST SESSION

ON

THE NOMINATION OF MICHAEL PHILIP SKARZYNSKI, OF ILLINOIS, TO BE ASSISTANT SECRETARY OF COMMERCE FOR TRADE DEVELOPMENT, VICE JAMES P. MOORE, RESIGNED

TUESDAY, JULY 18, 1989

Printed for the use of the Committee on Banking, Housing, and Urban Affairs

U.S. GOVERNMENT PRINTING OFFICE

19-688 WASHINGTON : 1989

For sale by the Superintendent of Documents, Congressional Sales Office
U.S. Government Printing Office, Washington, DC 20402

B241-18

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

DONALD W. RIEGLE, JR., Michigan, *Chairman*

ALAN CRANSTON, California
PAUL S. SARBANES, Maryland
CHRISTOPHER J. DODD, Connecticut
ALAN J. DIXON, Illinois
JIM SASSER, Tennessee
TERRY SANFORD, North Carolina
RICHARD C. SHELBY, Alabama
BOB GRAHAM, Florida
TIMOTHY E. WIRTH, Colorado
JOHN F. KERRY, Massachusetts
RICHARD H. BRYAN, Nevada

JAKE GARN, Utah
JOHN HEINZ, Pennsylvania
ALFONSE M. D'AMATO, New York
PHIL GRAMM, Texas
CHRISTOPHER S. BOND, Missouri
CONNIE MACK, Florida
WILLIAM V. ROTH, JR., Delaware
NANCY LANDON KASSEBAUM, Kansas
LARRY PRESSLER, South Dakota

CONTENTS

TUESDAY, JULY 18, 1989

	Page
Opening statement of Chairman Riegle	1
Opening statements of:	
Senator Garn	2
Senator Dixon	3
Senator Sanford	3
Senator D'Amato	6
Senator Pressler	6

NOMINEE

Michael P. Skarzynski:	
Prepared statement	4
Response to written questions	8
Biographical sketch	14

NOMINATION OF MICHAEL PHILIP SKARZYNSKI, OF ILLINOIS, TO BE ASSISTANT SECRETARY OF COMMERCE FOR TRADE DEVELOPMENT, VICE JAMES P. MOORE, RESIGNED

TUESDAY, JULY 18, 1989

U.S. SENATE,
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,
Washington, DC.

The committee met at 3:30 p.m., in room SD–538 of the Dirksen Senate Office Building, Senator Donald W. Riegle (chairman of the committee) presiding.

Present: Senators Riegle, Garn, Dixon, Pressler and D'Amato.

OPENING STATEMENT OF CHAIRMAN RIEGLE

The CHAIRMAN. The committee will come to order.

We want to welcome the nominee present today, Michael Skarzynski, who I gather has brought his family with him here today, and in due course we will have you introduce them to the committee.

You are here as a nominee to be Assistant Secretary of Commerce in the area of trade development, and I know the administration feels very strongly about your nomination. I just talked with the Secretary yesterday about it, and Senator Dixon particularly has felt very strongly about your nomination and has asked us, despite our preoccupation with the savings and loan conference which we are hoping to complete and working on day and night, that we make every effort to try to accommodate your hearing, which we are doing this afternoon as the Senate is in session.

So Senator Dixon of course is here and felt strongly about it, as do Senator Garn and many others.

In any case, this last week the committee held hearings on issues facing the financial services industry for the 1990's, and the witnesses we had that day expressed concern about U.S. indebtedness to foreigners and the continuing trade deficit and our very rapidly growing debtor nation problem.

The Federal Reserve Board is estimating that the United States will owe the rest of the world roughly a trillion dollars by 1992. It is truly an unprecedented situation for our Nation, and I think a threatening one.

Also, today's Wall Street Journal reports that the U.S. trade deficit rose again in May whether you use adjusted or unadjusted fig-

ures, but about $2 billion from the previous month, and clearly the trade problem is also continuing at a very serious level.

The Journal attributes the deterioration month by month to what they call "lackluster export performances and, unfortunately, a rebound in the nation's imports."

As Assistant Secretary, you will have responsibility for trade development, including policy development, industry analysis, and export promotion. You will also help implement and monitor aspects of the multinational trade negotiations and help track foreign investment here in the United States.

I am very much interested in your statement and what you perceive coming here in terms of your initial plans, but I will just conclude by saying that I think your assignment is one of the most important ones in the Government today. It is critically important to us. I see that not only from a Midwest perspective, which you from your own experience have had a chance to see, but also from the point of view of the entire nation, and we have just got to make a surge in national economic performance that helps close this trade deficit and that really helps us compete much more strongly in the export market abroad.

So you come in at a time of enormous challenge, and as good as you may have been in all your previous positions—and you win high praise for your other activities along your work career—this is a new ballgame, and the whole country is counting on you to be able to really turn in an outstanding performance.

So it is with that thought in mind that we will be interested in hearing from you today.

Let me call on Senator Garn.

OPENING STATEMENT OF SENATOR GARN

Senator GARN. Thank you very much, Mr. Chairman.

Mr. Skarzynski, we are pleased that you can be here today. Chairman Riegle and I have nothing but S&L's running in our veins. It has been a 6-month process we have been involved in, and in a very difficult conference with 94 members of the House of Representatives. I have yet to understand that kind of an unwieldy conference.

So the Chairman is correct. We are sandwiching in your hearing.

I would also say to you that the lack of Senators is a compliment to you. I do not want you to feel offended. If yours was a controversial nomination, you would have virtually every Senator here. That is when you should be worried. That is a compliment to you.

I do expect your nomination to be noncontroversial. I certainly think the President has made a very fine choice. I have been able to review your background. I think you are well-qualified for the position.

The Chairman is correct, though. This is a difficult time to be entering this position. I have been involved in trade, particularly strategic trade, for the last 15 years, and it is more complex and more difficult than at any time since I have been here.

So I congratulate you on your nomination. I do apologize, I will have to leave to sandwich in an arms control meeting. We have our

START negotiator, Rick Burt, back to brief the arms control observer group, of which I am a member.

But I would expect speedy approval of your nomination.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Garn.

Senator Dixon.

OPENING STATEMENT OF SENATOR DIXON

Senator DIXON. Mr. Chairman, may I simply say to you that I appreciate very much the fact that you would take up this nomination and permit Mr. Skarzynski to be heard today, and I thank you very much for giving me some of your valuable time today to talk to you about Mr. Skarzynski in view of the commitments you have with the conference on the S&L question.

I would simply like to briefly say that he is a distinguished Illinoisan. He comes highly recommended to me by some great business leaders in our State—Don Rumsfeld, for whom I have the highest personal regard, who was a great public official, a great Member of the Congress, and a great Member of the Cabinet as Secretary of Defense, and Chief Executive Officer of Searle, and as I understand, Mr. Skarzynski worked with him very closely at Searle; and Bob Galvin of Motorola has recommended him highly.

I might say parenthetically that a valuable past employee of mine and then yours, Lerner Lert from Illinois, has recommended him highly as well, which puts him in good stead with this Senator.

So I simply want to say that I think he is an outstanding man and his position is critical. We had this debate on the FSX. Now, we are going into the question on the Korean plane deal. Here is a man who will be involved in issues that are of tremendous economic importance to this country.

So to expedite this, Mr. Chairman, is a great personal favor, not only to Mr. Skarzynski but to this Senator, and I think in the interest of the country, and I want to thank the Chair for his kindness.

The CHAIRMAN. Thank you, Senator Dixon. I have a statement from Senator Sanford to be inserted in the record.

OPENING STATEMENT OF SENATOR TERRY SANFORD

Senator SANFORD. Mr. Chairman, I thank you for holding this hearing and welcome Mr. Skarzynski to this hearing room. We have all watched with ever growing dismay as our trade deficit reaches staggering heights. We hear from numerous sources that our products are not competitive abroad and that American industry is not trying hard enough to win and to keep export markets. I don't believe that, but I do think we all need to work together to bring our trade deficit down.

As we all know, the Assistant Secretary for Trade Development has a key role to play in our efforts to address our trade problems. The Assistant Secretary is responsible for carrying out our programs to strengthen domestic export competitiveness and promote increased U.S. industry participation in international markets. The Assistant Secretary is also responsible for the Trade Development

Program and for coordinating the work of our industry sector advisory committees.

At a time when the United States continues to run a tremendous trade deficit, the Assistant Secretary for Trade Development is in a critical position to coordinate the many efforts being made within the government and by industry to increase U.S. exports and U.S. participation in foreign markets.

I look forward to hearing Mr. Skarzynski's thoughts on how he views his potential role at the Commerce Department and what he thinks can and should be done to improve our trade balance and to do more to promote U.S. industries abroad.

Thank you, Mr. Chairman.

The CHAIRMAN. Before we hear from you now, Mr. Skarzynski, I am going to ask you to stand and give you the oath.

[Witness sworn.]

The CHAIRMAN. Thank you. Be seated.

Why don't you introduce for us your family and make whatever initial remarks you would like to make.

TESTIMONY OF MICHAEL P. SKARZYNSKI

Mr. SKARZYNSKI. Thank you, Mr. Chairman. I certainly appreciate the efforts to schedule the hearing at this time. I have just a brief statement, which includes in it the introduction of my family. If I may read it in total.

It is a great honor to appear before you today as President Bush's nominee for Assistant Secretary of Commerce for Trade Development.

May I take a moment, Mr. Chairman, to introduce and recognize my family, who are attending this hearing today?

My wife Jacqueline. My three children, Nicholas, Sarah, and Benjamin. My mother, Virginia Skarzynski. One of my sisters, Susan Skarzynski. And one of my sisters-in-law, Joan Sckalor.

I want to publicly thank my wife and children for their continuing support and their willingness to make personal and financial sacrifices.

I am pleased that Secretary Mosbacher has asked me to join his team at the Department of Commerce.

Having had extensive private sector experience in international marketing and business development at both Motorola and G. D. Searle, I hope to be able to utilize the skills I have learned to benefit U.S. industry in expanding markets abroad.

As the members of this committee are aware, the trade development area in the International Trade Administration shares responsibility for the promotion of U.S. exports to foreign countries. The importance of expanding foreign markets and increasing U.S. exports, particularly in countries where we have large trade imbalances, was outlined early on as a priority by the Bush Administration.

Secretary Mosbacher emphasizes this point in every speech he delivers. The United States is in a position to take a more aggressive stance in demanding that there be a two-way street in international trade. We need to assure that fairness and reciprocity are

the fundamental principles governing our trade relations with other countries, and there is much room for improvement.

If reported favorably by this committee and confirmed by the Senate, I will use all of my talents and energy working with this committee and the Congress to promote American exports abroad and create new opportunities for U.S. industry. "Made in the United States of America with highest quality" can and should once again be a prominent label around the globe.

Thank you again, Mr. Chairman, for convening this hearing today. Thank you, Senator Garn, Senator Dixon, for your support, and now I would be pleased to answer any questions you may have.

The CHAIRMAN. I have a series of questions that I am going to ask you to respond to for the record, and I will not take the time today to have these questions put to you orally in this session.

I do want complete answers to them, and I know you will provide those.

Mr. SKARZYNSKI. I assure you of that, Mr. Chairman.

The CHAIRMAN. I want you to make a point to read the committee print, the testimony of which will now be in typed form and we will get a copy to you, of the hearing that we had here last week on the Defense Production Act.

We had Bobby Inman and Frank Carlucci and Mr. Costello, who is Undersecretary of the Defense Department in charge of looking at the basic substructure of the American economy in terms of its ability to meet a mobilization requirement.

In the course of the hearing that morning, there was a wealth of very important testimony given to us by them in terms of a kind of erosion in the U.S. position and some of the thoughts that were expressed about what we might do about it.

I would like to also draw your attention to another hearing that the Committee had last week that is also related to this, as it would look at the issue of financial services as apart from hard goods or industrial type products. We had John Reed of Citicorp. We had the head of the New York Federal Reserve Board and two other financial experts, Felix Rohatyn and Professor Jay Light of the Harvard Business School, all testifying on the look of the future with respect to financial services, including trade, and those types of services in the global market, and I think that testimony, because it is so current and relevant to the type of job you will be doing here, I want to recommend that you get that and look at that, too.

I think you will find both sets of comments by those witnesses illuminating and helpful to you.

Senator Garn, do you have questions that you want to raise at this time?

Senator GARN. No, I have none at this time. I am going to have to go try to figure out how to rid the world of nuclear arms.

The CHAIRMAN. Good luck with that assignment. You will have the good wishes of everyone here, I am sure.

Senator Dixon.

Senator DIXON. I have no questions, Mr. Chairman.

Again, I want to express the appreciation of everybody that has been involved for your consideration in hearing Mr. Skarzynski this quickly, and I understand we are going to expedite the confir-

mation proceedings, in a short day or two probably vote, and I appreciate the Chairman doing that for us.

The CHAIRMAN. That is the intention of the Chair, and I must say that your great persuasiveness of the Chairman had an effect in this matter.

Senator Pressler.

OPENING REMARKS OF SENATOR PRESSLER

Senator PRESSLER. Thank you very much.

I join in welcoming you here. I have one question.

What can you do in your future position to help small business in the United States?

Mr. SKARZYNSKI. Senator, there are many different activities at the Commerce Department which regularly provide assistance to small business.

In the International Trade Administration there are activities within trade development and the U.S. foreign and commercial service that entail one-on-one business counseling to inform small business how to do a better job at exporting or how to begin exporting if in fact they are just getting started.

There are counseling services, assistance being offered to small businesses who are having particular problems, a trade problem in a particular country, and of course there are numerous trade promotion events, trade missions, and trade fairs which benefit and are available to small business.

Senator PRESSLER. Thank you very much.

The CHAIRMAN. Thank you, Senator Pressler.

Senator D'Amato.

Senator D'AMATO. Thank you, Mr. Chairman. Mr. Chairman, I just have a statement that I would like to submit to the record.

I wish Mr. Skarzynski the best in this very important position.

Certainly, in the area of small business and the ability to be competitive both at home and on the international scene, it takes on greater importance, particularly with the recent developments that we see taking place in the international area, whether it be in Poland, whether it be in the other Eastern Bloc nations.

We wish you success in your undertaking. It is a very important one, and I certainly hope you will be confirmed quickly so that you can go right to work.

[The complete prepared statement of Senator D'Amato follows:]

STATEMENT OF SENATOR D'AMATO

Mr. Chairman, I would like to welcome Mr. Skarzynski to this hearing of the Banking Committee. I commend to him the importance of the task which he will undertake upon confirmation.

As the Commerce Department's Assistant Secretary for Trade Development, Mr. Skarzynski will deal with some of the most important matters facing this country as it approaches the next decade. I am referring, of course, to the serious matters of international commerce and in particular, export of American products to foreign markets. This is a vital matter for every citizen because the strength of the U.S. economy and the maintenance of the current

high American standard of living depends upon both the quantity and quality of our exports.

I note that Mr. Skarzynski comes with a fine academic record and with years of real world experience in management and planning with American companies that compete in the very important electronics and pharmaceuticals industries. I trust that this experience in the hands-on world will assist the new assistant secretary in bringing a valuable perspective to the very real and practical problems of trade.

So, Mr. Skarzynski has an important role to play. I hope that he will be confirmed quickly so that he can be about this vital work.

Mr. SKARZYNSKI. Thank you, Senator.

The CHAIRMAN. Let me just make one other comment. Then we will be finished here today, and that is that you make a reference to the willingness of your family to support this decision that you have made to come into public service at this time.

I want to also thank them for that commitment. It is a family commitment, and it has gotten more difficult as each year has gone by to do serious public service of this sort, and obviously your job will involve a certain degree of international travel and time away from family and long hours, and you do have a young family.

And so I think your willingness to serve your country is a mark, an important mark, of your value system and the things you care about, and I think the same is true for your family.

And I want to say to your mother, who is here, and your sister and your wife and children, that we appreciate that family commitment taken as a whole, the fact that all of you were willing to be part of an effort to give important service to the country at a key time, and recognizing that there are some real tradeoffs.

So we appreciate that, and I just want to acknowledge that today.

With that, I am going to ask you, if you will, then to respond to the questions that we will provide you for the record today.

And, if there is no other business to come before the committee, the committee stands in recess.

[Whereupon, at 3:50 p.m., the committee was adjourned.]

[Response to written questions and a biographical sketch of the nominee follow:]

Responses by Michael P. Skarzynski to Questions by
Senator Donald W. Riegle,
Chairman, Senate Committee on Banking, Housing, and Urban Affairs
July 18, 1989

Question #1

One of my staff this morning called a Japanese trade expert here in Washington to ask for a Japanese perspective on what the U.S. needs to do to improve its international position.

The expert said that the U.S. needs to strengthen its competitiveness in order to increase its exports and reduce its trade deficit.

He discounted claims that U.S. exports to Japan are hampered by a closed market.

Rather, he said, U.S. problems are attributable to:

--its low savings rate;
--its low levels of productivity;
--its high rate of consumption;
--its huge budget deficit;
--a weak relationship between government and the private sector; and
--a short term focus on quarterly profits rather than long-term research and development.

I would like to hear:

--where you agree and where you disagree with this assessment;
--over which elements of the complaint would you have influence in your position as Assistant Secretary; and
--what actions do you plan to take to improve the situation.

Answer:

First, it is important to distinguish between bilateral trade issues with Japan and the overall U.S. trade deficit. There is common agreement that the key factors behind our overall deficit are macroeconomic in nature--in particular, the imbalance between national savings and investment. However, the U.S. trade deficit with Japan has remained stubbornly high despite the depreciation of the dollar and progress in reducing the U.S. federal budget deficit. The Administration would agree that the United States needs to raise its savings rate and the growth rate of productivity, and we all agree on the need to reduce the federal budget deficit.

With respect to government-business relationships, many U.S. articles and reports--such as a recent MIT study--have recommended a closer, less adverse relationship between government and business. While open communications and cooperation between the U.S. Government and American business are desirable, the U.S. has a long tradition and a deeply-rooted belief in private-sector decision making.

The points raised by your trade expert are important. However, the bilateral trade deficit with Japan--and especially our level of exports to Japan--are directly affected by Japanese practices and Japan's economic/commercial structure, in addition to macroeconomic factors. Japanese practices and structural barriers impede the regular market adjustment processes, such as exchange rate changes, and can have long-term effects on our national standard of living.

An examination of the structure of Japanese imports reveals a pattern unlike that of many other industrial countries. In particular, the ratio of manufactured imports to GNP is unusually low for Japan compared to other advanced industrial countries. Even for imports of production inputs, the pattern of Japanese imports indicates a tendency to import raw materials rather than semi-manufactures or other products with more value-added, e.g. imports of raw lumber, rather than boards and other wood products.

U.S. difficulties in cracking Japanese markets are not unique: other industrial countries encounter very similar problems in trying to increase their exports to Japan.

If confirmed as Assistant Secretary, my influence over the macroeconomic factors is extremely limited. I can play a key role in promoting within the Administration policies which will improve U.S. competitiveness. With respect to specific Japanese practices, enforcement of existing legislation and the Structural Impediments Initiative will continue to address specific Japanese barriers and will result in efforts by the Administration to correct these practices.

Question #2:

In your opening statement you refer to large trade imbalances with certain countries. Which of these imbalances concerns you most and what do you plan to do about them?

Answer:

Over seventy percent of the entire U.S. trade deficit is with just four countries--Japan, West Germany, Korea and Taiwan. These countries accounted for $86 billion of our $119 billion trade deficit (customs basis) in 1988. The large and continuing trade deficits with these four nations are fundamentally the result of macroeconomic factors (i.e., differences in national domestic saving and investment patterns).

The Bush Administration is aggressively trying to reduce the U.S. trade imbalance by focusing on closing the gap in U.S. investment and savings through policies that increase private savings and reduce the federal deficit, mainly through reductions in government spending. A key objective is to continue to encourage the four high-trade surplus countries to expand domestic investment and demand, and to eliminate trade distorting policies. At the recent economic Summit and G-7 meeting, we reaffirmed the need for greater macroeconomic policy coordination among the major industrial countries. Also, we continue to push for a successful conclusion of the Uruguay Round of multilateral talks.

Finally, the Brady Plan has been advanced to reduce LDC debt, which should improve the relative attractiveness of investment in the financially-distressed developing countries.

Question #3:

You have had international marketing experience in the private sector for Motorola and G.D. Searle.

> --I would like to hear what conclusions you have made from this experience about the source of U.S. trade problems and what practical steps Congress and the Administration can take to remedy them?

Answer:

Two problems can be underscored: (1) U.S. companies, formerly, were not very aggressive in trying to break into foreign markets; and (2) foreign barriers to U.S. exports inhibited the pursuit of foreign markets.

In the past, U.S. companies have failed to undertake market studies and develop strategies which incorporated cultural nuances and targeted foreign consumers. Often, U.S. companies were not even aware of local business practices. Furthermore, companies expected short term gains. Now, U.S. companies are tailoring their market strategies to particular foreign markets in order to attract customers. Moreover, companies are developing long-term strategies which include investment in foreign countries. These companies are beginning to realize that tangible market share may not be immediate.

In spite of increased efforts by U.S. companies, U.S. exporters face trade barriers in many overseas markets. The frequency of trade disputes has risen as a result of increased frustration on the part of U.S. businesses. These barriers have become increasingly subtle: toleration of anticompetitive practices (distribution system and company relationships), standards setting, restrictive import-licensing regimes, etc.

In addition, not all companies have the financial resources to undertake market initiatives like Motorola or other large multinational companies. The U.S. government can assist in providing export promotion services (information, market assessment, trade missions, etc.). Under the previous Administration, Commerce undertook a "Market Japan" effort. This type of active policy will continue under the Bush Administration.

The U.S. government should continue to engage our trading partners in negotiations, both bilateral and multilateral, in order to eliminate barriers to U.S. exports. In addition, we should vigorously enforce U.S. trade laws, including section 301 of the Omnibus Trade and Competitiveness Act of 1988.

Question #4:

Do you share the concern expressed by many people about the level and growth of foreign investment in the U.S.? If so, what do you propose to alleviate these concerns.

ANSWER:

The fundamental premise of the Administration's international investment policy is that foreign investment flows, which are determined by market forces, lead to more efficient international production and use of capital. This policy is based on the belief that an open investment climate promotes U.S. and global growth and development adds to our standard of living. This policy was spelled out in detail in the September 1983 Presidential statement on international investment policy. The Bush Administration continues to agree with this policy.

Foreign investment must be consistent with our national security interests. There are currently in place a variety of measures designed to protect our national security and related interests, including specific limitations on investment in certain industries, review mechanisms which must be completed before foreign investments occur, and requirements with which foreign investors must comply.

The Exon-Florio provisions of the 1988 Omnibus Trade and Competitiveness Act have helped ensure that the President has adequate authority to protect our national security interests where foreign investment transactions are concerned.

The Committee on Foreign Investment in the United States (CFIUS) has been delegated authority by the President to implement the Exon-Florio provisions. The CFIUS process seems to be working well. Since the passage of the Omnibus Trade and Competitiveness Act of 1988, the CFIUS has reviewed more than 75 foreign investment transactions under the Exon-Florio provisions. The Commerce Department has identified and referred many of these cases to CFIUS.

In the Executive Order implementing the Omnibus Trade and Competitiveness Act of 1988, the President elevated representation on CFIUS to the Cabinet level, and the Secretary of Commerce is now the Department's official representative on CFIUS. The International Trade Administration provides staff support and coordinates Commerce participation on the Committee. If confirmed as Assistant Secretary for Trade Development, I would report to the Under Secretary for International Trade, and would be responsible for this coordination. I would also direct the staff support for CFIUS on a day-to-day basis.

Question #5

Your responsibilities as Assistant Secretary would include export promotion for the automotive industry.

One of my staff called the AFL-CIO this morning. Their representative expressed concern about a lack of resources at the Commerce Department for promoting trade with developing countries.

--Do you see this concern as a valid one and if so, do you have a solution to propose?

Answer:

The Department has long recognized the importance of automotive products to the trade deficit and the potential for export of competitive U.S. auto parts and vehicles.

The Department has country-specific initiatives underway which include Japan and Korea. At this juncture, opportunities with other Pacific Rim countries, such as Taiwan, are being explored. Commerce currently uses the Japan MOSS follow-up process to increase the intensity of pressure and activity on Japan for American access to that country's lucrative auto parts market. There is much room for improvement in this area.

The Department maintains and encourages an active automotive industry liaison program.

The Automotive Affairs staff has planned additional initiatives designed to take advantage of favorable developments in other markets, and to improve opportunities for U.S. companies in those markets. The Department's ability to succeed in these programs will be enhanced by the commitment of domestic industry to take advantage of these export opportunities.

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: Skarzynski (LAST) Michael (FIRST) Philip (OTHER)

Position to which nominated: Assistant Secretary for Trade Development, U.S. Department of Commerce

Date of nomination: May 1, 1989

Date of birth: 9 (DAY) 10 (MONTH) 1956 (YEAR)

Place of birth: Chicago, IL

Marital status: Married

Full name of spouse: Jacqueline Ivy Skarzynski

Name and ages of children: Nicholas - 6 yrs.
Sarah - 3 yrs.
Benjamin - 1 yr.

Education:

Institution	Dates attended	Degrees received	Dates of degrees
Georgetown University	8/74-5/78	B.S. Foreign Service	May 1978
Northwestern University	6/80-12/82	Masters of Mgmt. (M.B.A.)	December 1982
Delegation to Fifth Japanese Business Study Sponsored by Japanese Ministry of International Trade and Industry	4/85	Certificate	

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognitions for outstanding service or achievement.

. St. Viator High School - Scholarship
. Georgetown University - Scholarship
. Named to: International Who's Who of Inellectuals (8th Ed.), Men of Achievement (13th Ed.), International Directory of Distinquished Leadership (2nd Ed.), Personalities of America (5th Ed.)
. Senior Fellow (Adjunct) - Georgetown University Center for Strategic and International Studies

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

Organization	Office held (if any)	Dates
Chicago Council on Foreign Relations	Member	1982 - Present
Association for Corporate Growth	Member	1984 - Present
American Marketing Association	Member	1986 - Present
Economic Council of Mid America Institute	Member	1988 - Present

Employment record: List below all positions held since college, including the title or description of job, name of employment, location of work, and dates of inclusive employment.

	Economic Consulting Services	
1978-1979	Washington, DC	Consultant
	Center for Strategic and Int'l Studies	
1979-1980	Washington, DC	Associate
	G.D. Searle & Co.	Corporate Planner, Manager of
1980-1986	Skokie, IL	Corporate Development, Director of Financial Planning and Analysis
	Motorola, Inc.	Director of International Marketing--Communications Sector, Director of Business Development--Corporate HQ
1986-1989	Schaumburg, IL	

Government experience: List any experience in or direct association with Federal, State, or local governments, including any advisory, consultative, honorary or other part-time service or positions.

NONE

Published writings: List the titles, publishers and dates of books, articles, reports or other published materials you have written.

Article published in Pharmaceutical Executive Magazine on "Competitor Analysis" in May 1985.

Political affiliations and activities: List all memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

Illinois Republican Party	1980 - Present
Services rendered for numerous election committee activities	
Republican National Committee	1986 - Present

Political contributions: Itemize all political contributions of $500 or more to any individual, campaign organization, political party, political action committee or similar entity during the last eight years and identify the specific amounts, dates, and names of the recipients.

None

Qualifications: State fully your qualifications to serve in the position to which you have been named. (attach sheet)

See Attachment #1

Future employment relationships:

1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate.

   Yes

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization.

   No

3. Has anybody made you a commitment to a job after you leave government?

   No

4. Do you expect to serve the full term for which you have been appointed?

   Yes

Potential conflicts of interest:

1. Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated.

None. Received a bonus on 2/7/89 from Motorola for work performed in 1988.

See letter from Chris Calvin to Marilyn Wagner which is attached.

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

None

3. Describe any business relationship, dealing or financial transaction (other than tax-paying) which you have had during the last 10 years with the Federal Government, whether for yourself, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

None

4. List any lobbying activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or affecting the administration and execution of national law or public policy.

None

5. Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to the above items.

Not Applicable

Civil, criminal and investigatory actions:

1. Give the full details of any civil or criminal proceeding in which you were a defendant or any inquiry or investigation by a Federal, State, or local agency in which you were the subject of the inquiry or investigation.

None

2. Give the full details of any proceeding, inquiry or investigation by any professional association including any bar association in which you were the subject of the proceeding, inquiry or investigation.

None